

SHIAWASSEE TOWNSHIP
SHIAWASSEE COUNTY

FINANCIAL STATEMENTS

MARCH 31, 2006

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INDEPENDENT AUDITOR'S REPORT

Members of the Township Board
Township of Shiawassee
Shiawassee County, Michigan

We have audited the accompanying general-purpose financial statements of the Township of Shiawassee, Shiawassee County, Michigan, as of March 31, 2006. These general-purpose financial statements are the responsibility of the Township of Shiawassee. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-application of GASB 34, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Shiawassee, as of March 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

Our examination was made for the purpose of forming an opinion on the combined general-purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information, listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined general-purpose financial statements of Township of Shiawassee. Such information has been subjected to the auditing procedures applied in the financial statements of the combined, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of September 22, 2006.

Doornik and Klerghuis, P.C.

Certified Public Accountants

Owosso, Michigan
September 22, 2006

TOWNSHIP OF SHIAWASSEE
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2006

	Government Fund Types			Fiduciary Fund Type	Account Groups	
	General	Special Revenue	Capital Projects	Trust and Agency	General Fixed Assets	General Long Term Debt
Assets:						
Cash & Cash Equivalents	\$ 124,484	\$ 102,391	\$ 33,466	\$ 1,534	\$	\$
Cert. of Deposit	200,000	2,000				
Accrued Int. Rec.	1,718	11				
Delinq. Prop. Tax Rec.	10,296	8,298				
Due from Other Funds	3,124	2,347	10,000			
Due from Other Local Units	0	25,485				
Fixed Assets					850,458	
Amt. to be Provided for General Long Term Debt						0
Total Assets	\$ 339,622	\$ 140,532	\$ 43,466	\$ 1,534	\$ 850,458	\$ 0
Liabilities:						
Accounts Payable	\$ 4,244	\$ 16,192	\$	\$	\$	\$
Due to Other Funds	750	13,185		1,534		
Due to Other Taxing Ent.						
Long-Term Debt						0
Total Liabilities	\$ 4,994	\$ 29,377	\$ 0	\$ 1,534	\$ 0	\$ 0
Fund Equity:						
Investment in General Fixed Assets	\$	\$	\$	\$	\$ 850,458	\$
Fund Balance	334,628	111,155	43,466	0	0	0
Total Fund Equity	\$ 334,628	\$ 111,155	\$ 43,466	\$ 0	\$ 850,458	\$ 0
Total Liabilities & Fund Equity	\$ 339,622	\$ 140,532	\$ 43,466	\$ 1,534	\$ 850,458	\$ 0

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2006

	<u>Governmental Fund Types</u>		
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
REVENUES:			
Taxes	\$ 59,418	\$ 57,865	\$ 0
Fees & Permits	13,398	0	0
Intergovernmental	160,048	0	0
Charges for Services	941	51,994	0
Memorial Fundraisers & Grants	0	290	0
Interest Earned	8,540	3,575	1,244
Miscellaneous	0	27	0
Sale of Fixed Assets	0	10,700	0
TOTAL REVENUES	\$242,345	\$124,451	\$ 1,244
EXPENDITURES:			
Township Board	\$ 10,692	\$ 0	\$ 0
Supervisor	6,700	0	0
Elections	867	0	0
Clerk	13,091	0	0
Board of Review	1,182	0	0
Treasurer	12,705	0	0
Township Hall	10,639	0	0
Assessor	14,797	0	0
Highways & Streets	61,475	0	0
Drains at Large	169	0	0
Planning Commission	220	0	0
Insurance	9,451	0	0
Library	0	0	0
Fire Protection	0	104,902	0
Cemetery Services	0	41,290	0
TOTAL EXPENDITURES	\$141,988	\$146,192	\$ 0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$100,357	\$(21,741)	\$ 1,244
Operating Transfers (Out) In	(22,500)	12,500	10,000
Fund Bal. April 1, 2005	<u>256,771</u>	<u>120,396</u>	<u>32,222</u>
FUND BAL. MARCH 31, 2006	<u>\$334,628</u>	<u>\$111,155</u>	<u>\$43,466</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE AND COMPARISON OF BUDGET TO ACTUAL
YEAR ENDED MARCH 31, 2006

	<u>GENERAL FUND</u>			<u>SPECIAL REVENUE FUND TYPES</u>			<u>CAPITAL PROJECT FUND</u>		
REVENUES:	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET	BUDGET	ACTUAL	ACTUAL (OVER) UNDER BUDGET
Property Taxes	\$ 56,000	\$ 59,418	\$ (3,418)	\$ 56,000	\$ 57,865	\$ (1,865)	\$	\$	\$
Fees & Permits	10,000	13,398	(3,398)						
Intergovernmental	153,500	160,048	(6,548)						
Charges for Services	2,000	941	1,059	45,285	51,994	(6,709)			
Memorials, Fundraisers & Grants				0	290	(290)			
Interest Earned	1,000	8,540	(7,540)	1,200	3,575	(2,375)		1,244	(1,244)
Miscellaneous	500	0	500	590	27	563			
Sale of Fixed Assets				6,000	10,700	(4,700)			
TOTAL REVENUES	\$ 223,000	\$ 242,345	\$ (19,345)	\$ 0	\$ 124,451	\$ (15,376)	\$ 0	\$ 1,244	\$ (1,244)
EXPENDITURES:									
Township Board	\$ 16,350	\$ 10,692	\$ 5,658	\$	\$	\$	\$	\$	\$
Supervisor	6,700	6,700	0						
Elections	2,000	867	1,133						
Clerk	12,475	13,091	(616)						
Board of Review	1,050	1,182	(132)						
Treasurer	13,275	12,705	570						
Township Hall	15,900	10,639	5,261						
Assessor	15,500	14,797	703						
Highways & Streets	75,900	61,475	14,425						
Drains at Large	2,000	169	1,831						
Planning Commission	400	220	180						
Insurance	16,000	9,451	6,549						
Library	0	0	0						
Fire Department				97,078	104,902	(7,824)			
Cemetery Service				38,700	41,290	(2,590)			
TOTAL EXPENDITURES	\$ 177,550	\$ 141,988	\$ 35,562	\$ 0	\$ 146,192	\$ (10,414)	\$ 0	\$ 0	\$ 0
REVENUES OVER (UNDER) EXPENDITURES	\$ 45,450	\$ 100,357	\$ (54,907)	\$ 0	\$ (21,741)	\$ (4,962)	\$ 0	\$ 1,244	\$ (1,244)
OTHER SOURCES (USES) OF FUNDS:									
Operating Transfers In	\$ 25,000	\$	\$	\$ 21,450	\$ 22,500	\$ (1,050)	\$ 0	\$ 10,000	\$ (10,000)
Operating Transfers Out	(70,450)	(22,500)	(47,950)	(10,000)	(10,000)	0			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 0	77,857	\$ (77,857)	\$ 11,450	(9,241)	\$ 20,691	\$ 0	11,244	\$ (11,244)
Fund Balance 04/01/05		256,771			120,396			32,222	
Fund Balance 03/31/06		\$ 334,628			\$ 111,155			\$ 43,466	

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED MARCH 31, 2006

CURRENT TAX COLLECTION FUND

	<u>Balance</u> <u>3-31-05</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>3-31-06</u>
ASSETS:				
Cash	\$ <u>1,738</u>	\$ <u>1,088,971</u>	\$ <u>1,089,175</u>	\$ <u>1,534</u>
LIABILITIES:				
Due to Other Funds	\$1,738	\$ 167,312	\$ 167,516	\$1,534
Accounts Payable				
Other Taxing				
Entities	<u>0</u>	<u>921,659</u>	<u>921,659</u>	<u>0</u>
	\$ <u>1,738</u>	\$ <u>1,088,971</u>	\$ <u>1,089,175</u>	\$ <u>1,534</u>

The accompanying notes are an integral
 part of the financial statements.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Township of Shiawassee have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

REPORTING ENTITY

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted with the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no component units that need to be addressed in defining the government's reporting entity.

FUND ACCOUNTING

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

FUND ACCOUNTING (CONTINUED)

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

BASIS OF ACCOUNTING (CONTINUED)

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

BUDGETS (CONTINUED)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting-under which purchase orders, contracts and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation is not utilized in the governmental funds. Encumbrances outstanding at year end are not reported as reservations of fund balances and also do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

CASH AND INVESTMENTS

Cash includes amounts in demand deposits, money market accounts and certificates of deposit. These are stated at cost, which equals market value.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

FIXED ASSETS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, draining systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The general long-term debt account group is used to establish accounting control and accountability for the unmatured principal on the organization's long-term debt.

COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have been presented in all statements because their inclusion would make certain statements unduly complex and difficult to read.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

NOTE 2. LEGAL COMPLIANCE - BUDGETS

Before the beginning of each fiscal year, all agencies of the government submit requests for appropriation so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before the beginning of each fiscal year, the proposed budget is presented to the board for review. The government's board holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available or the revenue estimated must be changed by an affirmative vote of a majority of the board.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplemental appropriations were necessary.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 3 - PROPERTY TAX

Taxes levied on December 1, are payable on February 14. The Townships bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied on the extent that they result in current receivables.

The Township is permitted by the Municipal Finance Law of the State to levy taxes up to 1.0 mill for general governmental services. .8985 mill is levied for general services.

The delinquent real property taxes of the Township normally are purchased by the County of Shiawassee. The county sells tax notes, the proceeds of which are used to pay the Township for these delinquent taxes. These delinquent taxes have been recorded as revenue for the current year.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A schedule of changes in fixed assets is included in the individual financial statement section.

NOTE 5 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (1) as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2006, the Township incurred expenditures in certain budgetary line items which were in excess of the amounts appropriated as follows:

<u>Fund</u>	<u>Total</u> <u>Appropriation</u>	<u>Amount of</u> <u>Expenditure</u>	<u>Budget</u> <u>Variance</u>
Cemetery Fund:			
Salaries	\$ 18,000	\$ 18,450	\$ 450
Repairs & Maintenance	5,000	5,026	26
Equipment	6,500	11,942	5,442
Contract Labor	0	2,000	2,000
Cemetery Perpetual Care Fund:			
Perpetual Maintenance	0	395	395

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 5. EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

<u>Fund</u>	<u>Total Appropriation</u>	<u>Amount of Expenditure</u>	<u>Budget Variance</u>
Fire Fund:			
Salaries	\$15,645	\$ 17,108	\$ 1,463
Contract labor	0	273	273
Operating Supplies	19,135	22,665	3,530
Insurance	4,790	5,301	511
Equipment	28,000	32,380	4,380
General Fund:			
Clerk	12,475	13,091	616
Board of Review	1,050	1,182	132

NOTE 6 - CASH, CASH EQUIVALENTS AND INVESTMENTS

In accordance with Michigan Compiled Laws, the Township is authorized to invest in the following investment vehicles:

- a. Bonds, security and other obligations of the United States or any Agency or instrumentality of the United States.
- b. Certificates of deposit, savings account, deposit accounts, or Depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are incurred by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the state under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rates at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 6. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 1 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

DEPOSITS

As of March 31, 2006, the carrying amounts and the bank balances for each type of bank accounts are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking	\$162,626	\$146,617
Savings	115,258	115,258
Certificates of Deposit	<u>202,000</u>	<u>202,000</u>
	<u>\$479,884</u>	<u>\$463,875</u>

Deposits of the Township are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Township. As of March 31, 2005, the Township accounts were insured by the FDIC for \$300,000 and the amount of \$163,875 was insured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the Township held as cash and cash equivalents increases significantly. As a result, the amount of the uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year end.

NOTE 7 - PENSION

The Township started a pension plan July 1, 1991, for all full-time employees. The Township contributed \$2,867 during the year ended March 31, 2006. The pension consists of 6% withholding from the employees annual compensation, and a matching 6% from the Township.

TOWNSHIP OF SHIAWASSEE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE 8 - INTERFUND ASSETS/LIABILITIES

DUE FROM/TO OTHER FUNDS:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fire Fund	\$ 1,588
General Fund	Current Tax Collection	1,536
Fire Equipment Fund	Fire Fund	10,000
Cemetery Fund	Fire Fund	1,597
Cemetery Fund	General Fund	750

NOTE 9 - LONG-TERM DEBT

The Township purchased a new fire truck with a cost of \$210,615.61. Township paid a total of \$131,534.00 by the delivery date of the truck, with a balance due of \$79,081.61. The balance was to be paid in five annual payments of \$19,575.32. The loan was payable with interest at 9.19% per annum and is secured by the fire truck. First payment was March, 2002. The loan was paid in full in 2006.

FINANCIAL STATEMENTS
OF
INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

GENERAL FUND

	<u>2006</u>	<u>2005</u>
ASSETS:		
Cash in Bank	\$124,484	\$244,473
Certificates of Deposit	200,000	0
Taxes Receivable	10,296	9,969
Accrued Interest Receivable	1,718	0
Due from Other Funds	<u>3,124</u>	<u>3,326</u>
TOTAL ASSETS	<u>\$339,622</u>	<u>\$257,768</u>
LIABILITIES:		
Accounts Payable	\$ 4,244	\$ 997
Due to Other Funds	<u>750</u>	<u>0</u>
TOTAL LIABILITIES	\$ 4,994	\$ 997
 GENERAL FUND BALANCE	 <u>334,628</u>	 <u>256,771</u>
 TOTAL LIABILITIES AND GENERAL FUND BALANCE	 <u>\$339,622</u>	 <u>\$257,768</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2006 AND 2005

GENERAL FUND

	<u>2006</u>			<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
REVENUES:				
Taxes:				
Property Taxes	\$ 56,000	\$ 59,418	\$ (3,418)	\$ 55,911
Int. on Taxes	0	1,480	(1,480)	1,141
Admin. Fee	10,000	11,918	(1,918)	12,430
State Shared Rev.	153,500	160,048	(6,548)	160,107
Charges for Services:				
Cable Franchise	2,000	941	1,059	1,063
Interest Income	1,000	8,540	(7,540)	2,846
Miscellaneous	500	0	500	150
TOTAL REVENUES	\$223,000	\$242,345	\$ (19,345)	\$233,648
EXPENDITURES:				
Twp. Board:				
Salaries	\$ 0	\$ 3,678	\$ 0	\$ 3,642
Dues & Misc.	0	1,373	0	1,204
Audit & Legal	0	2,550	0	2,966
Publishing	0	0	0	427
Payroll Taxes	0	557	0	509
Pension	0	2,409	0	2,156
Special Meeting	0	125	0	0
TOTAL TWP. BOARD	\$ 16,350	\$ 10,692	\$ 5,658	\$ 10,904
Supervisor:				
Salaries	\$ 0	\$ 6,700	\$ 0	\$ 6,700
TOTAL SUPERVISOR	\$ 6,700	\$ 6,700	\$ 0	\$ 6,700
Clerk:				
Salaries	\$ 0	\$ 10,150	\$ 0	\$ 11,765
Office Supplies	0	1,444	0	2,193
Equipment	0	1,497	0	0
TOTAL CLERK	\$ 12,475	\$ 13,091	\$ (616)	\$ 13,958

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
YEARS ENDED MARCH 31, 2006 AND 2005

GENERAL FUND

	<u>2006</u>		<u>2005</u>	
	<u>Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
EXPENDITURES:				
Board of Review:				
Salaries	\$ 0	\$ 143	\$ 0	\$ 791
Contract Labor	0	774	0	0
Education	0	85	0	0
Supplies	0	180	0	196
TOTAL BOARD OF REVIEW	\$ 1,050	\$ 1,182	\$ (132)	\$ 987
Treasurer:				
Salaries	\$ 0	\$ 8,163	\$ 0	\$ 7,868
Capital Outlay	0	0	0	1,263
Office Supplies	0	1,920	0	1,730
Tax Roll Prep.	0	2,462	0	2,331
Education	0	160	0	0
TOTAL TREASURER	\$ 13,275	\$ 12,705	\$ 570	\$ 13,192
Assessor:				
Salaries	\$ 0	\$ 13,000	\$ 0	\$ 12,000
Supplies	0	1,797	0	2,123
TOTAL ASSESSOR	\$ 15,500	\$ 14,797	\$ 703	\$ 14,123
Hall & Grounds:				
Salaries	\$ 0	\$ 1,388	\$ 0	\$ 480
Capital Outlay	0	0	0	7,500
Utilities	0	3,947	0	4,147
Rep. & Maint.	0	2,192	0	2,158
Telephone	0	2,428	0	3,299
Office Supplies	0	684	0	1,195
TOTAL HALL & GROUNDS	\$ 15,900	\$ 10,639	\$ 5,261	\$ 18,779
Other General Gov't:				
Insurance	\$ 16,000	\$ 9,451	\$ 6,549	\$ 15,445
Library	0	0	0	400
Planning Comm.	400	220	180	0
TOTAL OTHER GENERAL GOVERNMENT	\$ 16,400	\$ 9,671	\$ 6,729	\$ 15,845

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEAR ENDED MARCH 31, 2006 AND 2005

GENERAL FUND

	<u>2006</u>		Actual (Over) Under <u>Budget</u>	<u>2005</u> <u>Actual</u>
	<u>Budget</u>	<u>Actual</u>		
EXPENDITURES:				
Election:				
Salaries	\$ 0	\$ 0	\$ 0	\$ 753
Contract Labor	0	0	0	1,054
Capital Outlay	0	0	0	953
Supplies	0	867	0	916
Publishing	0	0	0	95
TOTAL ELECTION	\$ 2,000	\$ 867	\$ 1,133	\$ 3,771
Drains	2,000	169	1,831	1,500
Roads	75,900	61,475	14,425	103,813
TOTAL EXPENDITURES	\$ 77,900	\$ 61,644	\$ 16,256	\$203,572
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 45,450	\$100,357	\$ (54,907)	\$ 30,076
OTHER SOURCES (USES):				
Transfers In	\$ 25,000	\$ 0	\$ 25,000	\$ 0
Transfers Out	(70,450)	(22,500)	(47,950)	(19,737)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	\$ 0	\$ 77,857	\$ (77,857)	\$ 10,339
Fund Balance April 1, 2005		256,771		246,432
FUND BALANCE MARCH 31, 2006		\$334,628		\$256,771

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUNDS

FIRE FUND

Fire Fund is used to account for fees received and monies disbursed for Township fire protection.

CEMETERY FUND

To account for lot sales and interest earned for the purpose of maintaining the Township's cemetery.

CEMETERY PERPETUAL CARE FUND

Cemetery Fund is used to account for monies received and disbursed for maintenance of the Township's cemetery.

TOWNSHIP OF SHIAWASSEE
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2006 AND 2005

	<u>2006</u>			<u>2005</u>	
			Cemetery Perpetual Care		
	<u>Fire</u>	<u>Cemetery</u>		<u>Combined</u>	<u>Combined</u>
ASSETS:					
Cash in Bank	\$ 77,375	\$ 9,766	\$15,250	\$102,391	\$ 90,763
Cert. of Deposit	0	0	2,000	2,000	2,161
Interest Rec.	0	0	11	11	9
Taxes Rec.	8,298	0	0	8,298	8,115
Due from Other Funds	0	2,347	0	2,347	0
Due from Other Taxing Ent.	<u>25,485</u>	<u>0</u>	<u>0</u>	<u>25,485</u>	<u>21,793</u>
	<u>\$111,158</u>	<u>\$12,113</u>	<u>\$17,261</u>	<u>\$140,532</u>	<u>\$122,841</u>
LIABILITIES:					
Accts. Payable	\$ 9,450	\$ 6,742	\$ 0	\$ 16,192	\$ 857
Due to Other Funds	<u>13,185</u>	<u>0</u>	<u>0</u>	<u>13,185</u>	<u>1,588</u>
	\$ 22,635	\$ 6,742	\$ 0	\$ 29,377	\$ 2,445
FUND BALANCE:					
Fund Balance	<u>88,523</u>	<u>5,371</u>	<u>17,261</u>	<u>111,155</u>	<u>120,396</u>
	<u>\$111,158</u>	<u>\$12,113</u>	<u>\$17,261</u>	<u>\$140,532</u>	<u>\$122,841</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
SPECIAL REVENUE FUNDS
COMPARATIVE COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>			<u>2005</u>	
	<u>Fire</u>	<u>Cemetery</u>	<u>Cemetery Perpetual Care</u>	<u>Combined</u>	<u>Combined</u>
REVENUES:					
Property Taxes	\$ 57,865	\$ 0	\$ 0	\$ 57,865	\$ 55,072
Chgs. for Serv.	39,979	12,015	0	51,994	32,913
Memorials, Fund- Raisers & Grants	290	0	0	290	2,934
Int. & Dividends					
Earned	2,813	136	626	3,575	1,321
Misc.	27	0	0	27	358
Sale of Fixed Assets	0	10,700	0	10,700	0
TOTAL REV.	\$100,974	\$ 22,851	\$ 626	\$124,451	\$ 92,598
EXPENDITURES:					
Fire Protect.					
Contr. Serv.	\$104,902	\$ 0	\$ 0	\$104,902	\$ 58,773
Cemetery Serv.	0	40,895	395	41,290	45,971
TOTAL EXPEND.	\$104,902	\$ 40,895	\$ 395	\$146,192	\$104,744
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (3,928)	\$ (18,044)	\$ 231	\$ (21,741)	\$ (12,146)
OTHER SOURCES (USES) OF FUNDS:					
Transfers In	\$ 0	\$ 22,500	\$ 0	\$ 22,500	\$ 19,737
Transfers Out	(10,000)	0	0	(10,000)	(10,000)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	\$ (13,928)	\$ 4,456	\$ 231	\$ (9,241)	\$ (2,409)
Fund Balance					
April 1, 2005	<u>102,451</u>	<u>915</u>	<u>17,030</u>	<u>120,396</u>	<u>122,805</u>
FUND BALANCE					
MARCH 31,	<u>\$ 88,523</u>	<u>\$ 5,371</u>	<u>\$ 17,261</u>	<u>\$111,155</u>	<u>\$120,396</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

FIRE FUND

	<u>2006</u>	<u>2005</u>
ASSETS:		
Cash in Bank	\$ 77,375	\$ 75,014
Due from Antrim Township	25,485	21,793
Taxes Receivable	8,298	8,115
	<u>\$111,158</u>	<u>\$104,922</u>
 LIABILITIES:		
Accounts Payable	\$ 9,450	\$ 883
Due to General Fund	1,588	1,588
Due to Cemetery Fund	1,597	0
Due to Fire Equipment Fund	10,000	0
	<u>\$ 22,635</u>	<u>\$ 2,471</u>
 FIRE FUND BALANCE	 <u>\$ 88,523</u>	 <u>102,451</u>
 TOTAL LIABILITIES AND FIRE FUND BALANCE	 <u>\$111,158</u>	 <u>\$104,922</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2006 AND 2005

FIRE FUND

		<u>2006</u>	Actual (Over) Under <u>Budget</u>	<u>2005</u> <u>Actual</u>
	<u>Budget</u>	<u>Actual</u>		
REVENUES:				
Property Taxes	\$ 56,000	\$ 57,865	\$ (1,865)	\$ 55,072
Charges for Services:				
Fire Run & Prot.	34,535	39,979	(5,444)	21,793
Memorials, Fund-Raisers, & Grants	0	290	(290)	2,934
Interest Earned	700	2,813	(2,113)	1,045
Other	590	27	563	358
TOTAL REVENUES	\$ 91,825	\$100,974	\$ (9,149)	\$ 81,202
EXPENDITURES:				
Long-Term Financing	\$ 17,060	\$ 17,060	\$ 0	\$ 17,197
Salaries	15,645	17,108	(1,463)	14,482
Contract Labor	0	273	(273)	0
Training	2,600	2,116	484	1,590
Office Supplies	500	412	88	394
Operating Supplies	19,135	22,665	(3,530)	7,952
Gas & Oil	1,848	1,796	52	1,020
Telephone	830	710	120	691
Medical	228	228	0	0
Insurance	4,790	5,301	(511)	8,036
Interest	2,516	2,516	0	2,378
Payroll Taxes	2,676	1,309	1,367	1,108
Dues	750	600	150	255
Fire Prev. Program	500	428	72	493
Equipment	28,000	32,380	(4,380)	3,177
TOTAL EXPENDITURES	\$ 97,078	\$104,902	\$ (7,824)	\$ 58,773
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ (5,253)	\$ (3,928)	\$ (1,325)	\$ 22,429
OTHER SOURCES (USES) OF FUNDS:				
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	(10,000)	(10,000)	0	(10,000)
EXCESS OF REVENUES OVER (UNDER) EXPEND. & OTHER SOURCES (USES) OF FUNDS				
	\$ (15,253)	\$ (13,928)	\$ (1,325)	\$ 12,429
Fund Balance April 1, 2005		102,451		90,022
FUND BALANCE MARCH 31, 2006		\$ 88,523		\$102,451

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND MARCH 31, 2005

CEMETERY FUND

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$ 9,766	\$ 889
Due from Fire Fund	1,597	0
Due from General Fund	<u>750</u>	<u>0</u>
	<u>\$12,113</u>	<u>\$ 889</u>

FUND BALANCE

LIABILITIES:

Accounts Payable	\$ 6,742	\$ (26)
	<u>\$ 6,742</u>	<u>\$ (26)</u>
Fund Balance	<u>5,371</u>	<u>915</u>
TOTAL LIABILITIES & CEMETERY FUND BALANCE	<u>\$12,113</u>	<u>\$ 889</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2006 AND 2005

CEMETERY FUND

	<u>2006</u>		<u>2005</u>	
			Actual (Over) Under	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:				
Foundations	\$ 2,000	\$ 1,205	\$ 795	\$ 1,975
Interment	4,000	6,600	(2,600)	4,985
Lot & Grave Sales	4,000	2,710	1,290	4,160
Land Rental	750	1,500	(750)	0
Interest Earned	500	136	364	32
Sale of Fixed Assets	<u>6,000</u>	<u>10,700</u>	<u>(4,700)</u>	<u>0</u>
TOTAL REVENUES	\$ 17,250	\$ 22,851	\$ (5,601)	\$ 11,152
EXPENDITURES:				
Land Improvements	\$ 100	\$ 0	\$ 100	\$ 5,000
Salaries	18,000	18,450	(450)	14,895
Payroll Taxes	2,000	268	1,732	216
Pension	2,000	458	1,542	672
Contract Labor	0	2,000	(2,000)	0
Operating Supplies	450	235	215	471
Gas & Oil	700	588	112	524
Insurance	2,750	1,100	1,650	1,848
Utilities	200	88	112	100
Repairs & Maint.	5,000	5,026	(26)	4,176
Perpetual Maint.	1,000	740	260	518
Equipment	<u>6,500</u>	<u>11,942</u>	<u>(5,442)</u>	<u>5,679</u>
TOTAL EXPENDITURES	\$ 38,700	\$ 40,895	\$ (2,195)	\$ 34,099
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (21,450)	\$ (18,044)	\$ (3,406)	\$ (22,947)
OTHER SOURCES (USES) OF FUNDS:				
Transfer In	<u>21,450</u>	<u>22,500</u>	<u>(1,050)</u>	<u>19,737</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES & OTHER SOURCES (USES) OF FUNDS	\$ <u>0</u>	\$ 4,456	\$ <u>(4,456)</u>	\$ (3,210)
Fund Balance April 1, 2005		<u>915</u>		<u>4,125</u>
FUND BALANCE MARCH 31, 2006		\$ <u>5,371</u>		\$ <u>915</u>

The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

CEMETERY PERPETUAL CARE FUND

	<u>2006</u>	<u>2005</u>
ASSETS:		
Cash in Bank	\$15,250	\$14,860
Certificate of Deposit	2,000	2,161
Accrued Interest Receivable	<u>11</u>	<u>9</u>
TOTAL ASSETS	<u>\$17,261</u>	<u>\$17,030</u>
 CEMETERY PERPETUAL CARE		
FUND BALANCE	<u>\$17,261</u>	<u>\$17,030</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2006 AND 2005

CEMETERY PERPETUAL CARE FUND

	<u>2006</u>		<u>2005</u>	
	<u>Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
REVENUES:				
Int. & Div.	\$ <u>0</u>	\$ <u>626</u>	\$ <u>(626)</u>	\$ <u>244</u>
TOTAL REVENUES	\$ <u>0</u>	\$ <u>626</u>	\$ <u>(626)</u>	\$ <u>244</u>
EXPENDITURES:				
Land Improvements	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>11,500</u>
Perpetual Maint.	<u>0</u>	<u>395</u>	<u>(395)</u>	<u>372</u>
TOTAL EXPENDITURES	\$ <u>0</u>	\$ <u>395</u>	\$ <u>(395)</u>	\$ <u>11,872</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES				
	\$ <u><u>0</u></u>	\$ <u>231</u>	\$ <u><u>(231)</u></u>	\$ <u>(11,628)</u>
Fund Balance April 1, 2005		<u>17,030</u>		<u>28,658</u>
FUND BALANCE MARCH 31, 2006		\$ <u><u>17,261</u></u>		\$ <u><u>17,030</u></u>

The accompanying notes are an integral
part of the financial statements.

CAPITAL PROJECTS FUND

Fire Equipment Fund

This fund is used to account for monies which have been set aside to replace fire equipment.

TOWNSHIP OF SHIAWASSEE
FIRE EQUIPMENT FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash - Savings	\$33,466	\$32,222
Due from Fire Fund	10,000	<u>0</u>
	<u>\$43,466</u>	<u>\$32,222</u>

FUND BALANCE

Fund Balance	<u>\$43,466</u>	<u>\$32,222</u>
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The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
FIRE EQUIPMENT FUND
COMPARITIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED MARCH 31, 2006 AND 2005

		<u>2006</u>		<u>2005</u>
	<u>Budget</u>	<u>Actual</u>	Actual (Over) Under <u>Budget</u>	<u>Actual</u>
REVENUES:				
Interest Earned	\$ <u>0</u>	\$ <u>1,244</u>	\$ <u>(1,244)</u>	\$ <u>269</u>
TOTAL REVENUES	\$ <u>0</u>	\$ <u>1,244</u>	\$ <u>(1,244)</u>	\$ <u>269</u>
Expenditures:				
Equipment Purchased	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>0</u>	\$ <u>1,244</u>	\$ <u>(1,244)</u>	\$ <u>269</u>
OTHER SOURCES (USES) OF FUNDS:				
Transfers In	\$ <u>0</u>	\$ <u>10,000</u>	\$ <u>(10,000)</u>	\$ <u>10,000</u>
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	\$ <u><u>0</u></u>	\$ <u>11,244</u>	\$ <u><u>(11,244)</u></u>	\$ <u>10,269</u>
Fund Balance April 1, 2005		<u>32,222</u>		<u>21,953</u>
FUND BALANCE MARCH 31, 2006		\$ <u><u>43,466</u></u>		\$ <u><u>32,222</u></u>

The accompanying notes are an integral
part of the financial statements.

CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax and to distribute such monies to the local school districts, county and Township General Fund.

TOWNSHIP OF SHIAWASSEE
CURRENT TAX COLLECTION FUND
BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash	\$ <u>1,534</u>	\$ <u>1,738</u>

LIABILITIES

Due to Other Funds	\$1,534	\$1,738
Due to Other Taxing Entities	<u>0</u>	<u>0</u>
	\$ <u>1,534</u>	\$ <u>1,738</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
CURRENT TAX COLLECTION FUND
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES
YEAR ENDED MARCH 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
CASH RECEIPTS:		
2005 Roll Property Tax Collections For:		
Owosso School		
District	\$ 16,640	\$ 13,249
Corunna School		
District	105,682	95,771
Durand School		
District	171,553	165,459
Morrice School		
District	34,263	28,876
Shiawassee Twp.	134,018	134,512
Shiawassee County		
Current Prop Tax.	<u>584,580</u>	<u>641,360</u>
	1,045,636	1,079,227
Other Receipts:		
Trailer Tax	\$ 3,564	\$ 3,141
Dog Licenses	1,172	960
Delinquent Taxes	25,760	14,712
Int. & Penalties	2,390	1,547
Admin. Fees	<u>10,449</u>	<u>10,930</u>
	43,335	31,290
TOTAL CASH RECEIPTS	\$1,088,971	\$1,110,517
Cash Disbursements:		
Current & Delinquent Property Tax Collections For:		
Owosso School		
District	\$ 16,640	\$ 13,249
Corunna School		
District	105,682	95,734
Durand School		
District	172,997	165,638
Morrice School		
District	34,319	28,914
Shiawassee Twp.	167,516	161,625
Shiawassee Co.	<u>592,021</u>	<u>645,488</u>
	1,089,175	1,110,648
EXCESS OF CASH RECEIPTS OVER		
(UNDER) CASH DISBURSEMENTS	\$ (204)	\$ (131)
Cash Balances:		
Cash at March 31, 2005 & 2004	<u>1,738</u>	<u>1,869</u>
CASH BALANCE AT MARCH 31, 2006		
AND 2005	\$ <u>1,534</u>	\$ <u>1,738</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets.

TOWNSHIP OF SHIAWASSEE
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Land & Improvements	\$159,322	\$159,322
Building & Improvements	124,601	124,601
Vehicles	380,516	380,516
Machinery & Equipment	164,135	131,435
Office Equipment & Furniture	<u>21,884</u>	<u>20,387</u>
	<u>\$850,458</u>	<u>\$816,261</u>

FUND BALANCE

Investment in General		
Fixed Assets	<u>\$850,458</u>	<u>\$816,261</u>

The accompanying notes are an integral
part of the financial statements.

TOWNSHIP OF SHIAWASSEE
 FIXED ASSET ACCOUNT GROUP
 ANALYSIS OF CHANGE IN GENERAL FIXED ASSETS
 MARCH 31, 2006

	<u>Balance</u> <u>3-31-05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>3-31-06</u>
Land & Improvements	\$159,322	\$ 0	\$ 0	\$159,322
Building & Improve.	124,601	0	0	124,601
Vehicles	380,516	0	0	380,516
Machinery & Equip.	131,435	44,322	11,622	164,135
Office Equipment & Furniture	<u>20,387</u>	<u>1,497</u>	<u>0</u>	<u>21,884</u>
	<u>\$816,261</u>	<u>\$45,819</u>	<u>\$11,622</u>	<u>\$850,458</u>

The accompanying notes are an integral
 part of the financial statements.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for the long-term lease
payable for a fire truck in the
Fire Fund.

TOWNSHIP OF SHIAWASSEE
GENERAL LONG-TERM DEBT ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
MARCH 31, 2006 AND 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Amount to be Provided for the Retirement of Lease	\$ <u>0</u>	<u>\$17,060</u>

LIABILITIES

Lease Payable	\$ <u>0</u>	<u>\$17,060</u>
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The accompanying notes are an integral part of the financial statements.

TOWNSHIP OF SHIAWASSEE
GENERAL LONG-TERM DEBT ACCOUNT GROUP
ANALYSIS OF CHANGE IN LONG-TERM DEBT
MARCH 31, 2006

	<u>Balance</u> <u>3-31-05</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>3-31-06</u>
Lease Payable -				
Fire Truck	\$ <u>17,060</u>	\$ <u> 0</u>	\$ <u>17,060</u>	\$ <u> 0</u>
	\$ <u>17,060</u>	\$ <u> 0</u>	\$ <u>17,060</u>	\$ <u> 0</u>

The accompanying notes are an integral
part of the financial statements.



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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September 22, 2006

**Members of the Township Board
Township of Shiawassee
Shiawassee County, Michigan**

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Shiawassee for the year ended March 31, 2006.

As a result of our examination of the Township's financial statements, we make the following comments:

BUDGET

The Michigan Public Act 621, of 1978, includes compliance requirements in budgeting. Expenditures under this act cannot exceed the budget. Expenditures within the definition of accrual accounting includes any accounts payable at March 31. Expenditures also include any contractual work incurred during the current year, even if there is no obligation to pay for several years.

The total budgeted expenditures should not exceed the total budgeted revenues plus beginning fund balance.

Expenses should be reviewed prior to year end and the budget amended to include all expenses of the period, including transfers to other funds.

CASH DISBUREMENTS

In the area of cash disbursements, the Township should retain all vendor invoices for each fund. When a check is written for a vendor invoice, the invoice should be cancelled by writing the date and check number of the invoice. We found several instances where there was no invoice or the invoice was not cancelled. The Township needs to make sure that these controls are applied consistently.

We wish to thank the board for the excellent cooperation we received in performing the Township audit. If we can be of any further assistance to the Township in implementing these recommendations or any other Township business, please contact us.

Domin and Wargfish, P.C.

Certified Public Accountants

Owosso, Michigan
September 22, 2006